

2/3/77 [1]

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THE WHITE HOUSE
WASHINGTON

February 3, 1977

Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jack Watson
James Schlesinger, Please
Note the President's
comments in Section 2.

Winter Fuel Crisis

→ *Aid to Prevent Fuel
Shut offs Low Income Families*

*Center for Business
Enterprises*

*Jesse Jackson Fuel Cut Off
Maratathon*

THE WHITE HOUSE
WASHINGTON

February 2, 1977

MEMORANDUM FOR: THE PRESIDENT
THROUGH: JACK WATSON
FROM: STU EISENSTADT
BERT CARP
SUBJECT: Winter Fuel Crisis

T. Stu J
Let's not panic
J

I. Recommended Actions

We recommend a Presidential message to be issued this Friday with the following components:

- (1) A \$200 million special appropriation to the Community Services Administration's Crisis Intervention Program under Section 222(a)(12) of the Community Services Act. These funds would be made available under a formula grant to the Governors of 41 weather-impacted states for payments to low income families facing fuel shutoffs or severe economic hardship from fuel costs due to extreme weather conditions. Although some inefficiency and abuse can be expected in implementing this program under such a short time frame, we believe it is an appropriate response to the extreme hardship facing low income households. Our earlier memorandum on this subject and a memorandum supporting this position by Secretary Califano in cooperation with the Community Services Administration are attached at Tab A.

Yes _____ No _____ Discuss ✓

- (2) Implementation of Commerce Secretary Kreps' suggestion that the 64 Department of Commerce Field Offices be established as Centers for Business Emergencies related to the cold-weather crisis. Assisted by the Commerce Department's 10 Secretarial Regional Representatives and Office of Ombudsman in Washington, the Centers would:

- Identify situations where existing Federal assistance could help a business but is not being utilized.
- Answer or obtain answers to inquiries from businesses seeking information about possible solutions available at the Federal level to weather-induced problems affecting their business.
- Actively seek out problem areas in the business sector of which the Federal government is not aware and where the situation could be substantially relieved if Federal action were taken.
- Relay such suggestions to the Department headquarters for appropriate action.

*ok -
Subject to
Jim's
Caveats*

We agree with Jim Schlesinger's comment that the Centers should not involve themselves directly with individual fuel availability complaints or with suggesting directly how local fuel distributors allocate their supplies, but should refer such problems to FEA and FPC. Secretary Kreps' memo with Jim Schlesinger's comments is attached at Tab B.

- (3) Presidential encouragement of voluntary postponement of residential fuel cut-offs, with delayed payment schedules. The special appropriation proposed in this memo will help deal with the payment problem. In addition, we recommend that you instruct the Small Business Administration to expedite its procedures for emergency loans under existing law to small fuel companies which require help in order to participate in the postponement of shutoffs, and that you instruct the SBA to work closely with Jim Schlesinger in determining whether additional assistance is needed.

A memorandum to Tim Kraft discussing these issues in the context of a proposed meeting between yourself and Jesse Jackson (who has apparently had some success in working out postponement of fuel cutoffs in Chicago) is attached at Tab C.

II. Options Considered and Rejected

In making these recommendations we have specifically discarded several other options:

- (1) Changing the food stamp formula to allow greater consideration of high fuel bills.

Reasons: The food stamp formula already allows shelter and utility deductions, any change would be administratively complex, and such action would provide little relief to families facing fuel shutoffs.

- (2) Paying part of the nation's residential fuel bill at the distribution, rather than the consumer level.

Reasons: (a) Subsidizing fuel consumption would tend to discourage conservation; (b) The indirect subsidy to consumers would go to the rich as well as the poor, and would be inadequate to prevent shutoffs to low income households; and (c) A legislative battle would be inevitable.

*discussed &
str verbally*

III. Additional Issues

Secretary Califano's memorandum suggests taking two immediate actions for the longer term. We agree that HEW should proceed with development of minor amendments to the Economic Opportunity Act to insure that fuel benefits under the emergency payment program do not result in reduction of other Federal benefits.

Secretary Califano also suggests legislative amendments under which, in the future, the fuel cutoff problem for low income Americans would be met through the Social Security Act Emergency Assistance Program. We agree that a program should be developed and "on the shelf" for future emergencies. But we recommend that submission of such a program should take place after we have had a chance to evaluate experience with the temporary approach suggested in this memorandum. Joe Aragon strongly urges that a range of options be considered before a final decision is made.

) agree

J

THE WHITE HOUSE
WASHINGTON

February 3, 1977

Stu Eizenstat -

The attached was returned in the President's outbox. Please note the President's desire to discuss it with you this morning.

Rick Hutcheson

cc: Tim Kraft

*Crisis Aid to Prevent
Fuel Shut offs Low
Income Families.*

THE WHITE HOUSE
WASHINGTON

Mr. President:

Jack Watson and Bob
Lipshutz concur.

Rick Hutcheson

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR: THE PRESIDENT

FROM: STUART EIZENSTAT *SE*
BERT CARP *BC*

SUBJECT: Crisis Aid to Prevent Fuel Shut Offs
to Low Income Families

We held a meeting yesterday with representatives of the White House staff, the Community Services Administration, and the staffs of the affected Senate and House authorizing and appropriation committees to discuss the proposal to provide emergency relief to low income Americans facing hardship because of high energy costs due to the extreme cold weather. There was a consensus on the following points:

1. Although the agencies do not have satisfactory figures, they claim that from two to four million low income families may face heating shut offs in the coming weeks because of an inability to meet fuel costs.
2. The best current estimate of the cost of meeting this situation is in the \$500 million range.
3. There are serious delivery system problems. The original proposal was to use the 900 existing Community Action Agencies to provide crisis intervention services to non-welfare families facing fuel shut offs (at a cost of roughly \$200 million), to provide weather-impacted states with funds to grant each welfare family \$100 with no individual determination of need (\$300 million), and to expand the existing Community Action Weatherization Program by \$150 million.

The following problems were apparent:

- Expanding the crisis intervention program from \$27.5 million to \$200 million might well over-strain the administrative ability of the CSA and expose the agency to severe criticism for failure to effectively deliver promised aid.

- Simply providing \$100 to welfare families would give many aid that is not needed (for example, those living in apartments where fuel costs are paid by the landlord), and provide others with insufficient aid to maintain heat.
- Expanding the weatherization program (aid to low income families to improve the weather-resistance of their homes through insulation and other means) is a long-term effort, and not one which can have an impact on the current situation.

Possible Solutions

We made it clear that the purpose of the meeting was to discuss the problems, and not to arrive at an Administration position. However, it is apparent that a proposal along the following lines would receive consensus support from both the agencies and the Congressional staffs:

1. No action to expand the weatherization program at this time, on the grounds that the cost of the package should be limited, and that weatherization is a longer-term problem.
2. Appropriation of emergency funds to the CSA under the broad authority of Section 221(a)(12) of the Community Services Act.
3. Distribution of all of the funds to the Governors to provide emergency assistance to both welfare and low income non-welfare persons facing fuel shut offs. The Governors would be given broad discretion to establish their own delivery systems, including use of local community action agencies, programs within the states for special groups such as the elderly, the state welfare agencies, and local governments.

We believe that serious administrative problems are inherent in an effort of this kind, and that broad discretion for the Governors is best, both to assure the most efficient delivery of aid possible, and to distribute responsibility for the foul-ups which are bound to occur.

Work in Progress

HEW and the CSA have been asked to work together on developing for your consideration better estimates of need and cost, and a formula for distribution of funds among the states. We hope to have this information later today.

Muskie-Kennedy Letter

We learned that Senators Muskie and Kennedy have been circulating a letter which they hope to have signed by a majority of the Senate urging your action. We suggested that it might be appropriate to delay this letter until an Administration position has been reached, and the Muskie and Kennedy staffs agreed that this would be appropriate.

The Budget

Implementation of this program will require an upward revision in the 3rd Concurrent Budget Resolution for FY 1977 in the range of \$200 to \$500 million. The House Budget Committee Democrats are in the process of developing their position on the Resolution. If you are inclined to proceed with the approach outlined above, it would be helpful if we could let them know informally that there may be an additional request.

Do you favor this approach?

Yes _____ No _____ Discuss ✓ *am. 2/3*

cc: Jack Watson
Joe Aragon



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

February 1, 1977

MEMORANDUM FOR THE PRESIDENT

Subject: Federal Action to Prevent Life and Health Threatening
Fuel Cut-offs

Following discussions with Stu Eizenstat's staff and with Congressional staffs, the Department of Health, Education, and Welfare and the Community Services Administration have jointly developed for your consideration certain "crisis-intervention" actions aimed at preventing life and health threatening fuel cut-offs that would affect the poor, the disabled and the aged.

These actions are discussed in the attached HEW-CSA staff paper, which you need not read. In sum, we recommend the following:

I. Action for the Short Term

The major immediate initiative that we recommend is for you to request a supplemental appropriation of \$200 million for crisis intervention through the Community Services Administration's presently authorized Emergency Energy Conservation program.

- These funds could reach 1.5 to 4 million households (3.8 to 11 million people).
- Under this option, money can flow directly to needy individuals more quickly than through other existing programs.
- The money should be channeled to the Governors of those states most affected by the present weather/fuel crisis under a simple formula we will give them. Because this program must be implemented quickly and thus will not be as administratively efficient as possible, we believe the Governors are best situated to make the decision about the proper mix of state and local delivery mechanisms to ensure that the poor, the disabled and the aged are helped.

We also suggest that you urge the Governors to request that state and local utilities adopt a moratorium on fuel cut-offs while the emergency program is starting-up.

You can announce this initiative immediately. We hope to have firmer figures on the number affected, and the program cost, in approximately 24 hours, but this should not delay an announcement that you favor this approach in principle.

_____ Approve

_____ Disapprove

II. Actions for the Longer Term

- (a) Amendments to the Social Security Act's Emergency Assistance Program. If properly framed, the Emergency Assistance Program could in the future provide an immediate method for meeting fuel cut-offs (and similar) problems which would require neither new authority nor new appropriations. As presently written, however, the coverage of the Emergency Assistance Program is inadequate, and there is not an appropriate triggering mechanism for this type of emergency situation.

We will send suggested legislation on this subject to OMB within 24 hours.

_____ Approve


_____ Disapprove

- (b) Amendments to the Emergency Energy Conservation Program of the Economic Opportunity Act. Simple amendments are also required in Community Services Administration's legislative charter to ensure that fuel benefits received under the emergency energy program do not result in reduction of other benefits for affected individuals. CSA will send the suggested amendments to OMB expeditiously.

_____ Approve

_____ Disapprove

The Deputy Director of CSA (Robert C. Chase) concurs in the approach outlined above.


Joseph A. Califano, Jr.

Enclosures

February 1, 1977

PROPOSED HEW-CSA EMERGENCY RESPONSE TO POSSIBLE FUEL CUT-OFFS
AFFECTING THE POOR, THE DISABLED AND THE AGED

The Problem

One major need during the present energy-weather emergency is to protect the poor, the disabled, and the aged from life- and death-threatening fuel cut-offs due to non-payment of bills or to other circumstances such as lack of fuel.

Low- and fixed-income households face serious problems at this time because of present and past sharp increases in utility costs, exacerbated by the abnormally cold winter which has required increased home heating. Energy costs have risen more than four times faster than average welfare payments since 1973. Even before this winter, many poor and elderly persons were paying 60-80 percent of their income for shelter and heat. Propane, coal, and wood, on which many rural poor depend, rose more than 300 percent in price following the energy crisis of 1973-74, and in some cases, as much as 500 percent. Moreover, this winter is significantly colder than normal in 41 states. Serious problems of supply have begun to affect residential users, and the poor and the elderly cannot adapt to alternate fuels without help. We anticipate that the impact of increased prices and the bad weather will continue to result in an increased number of utility cut-offs which will threaten the health and even the lives of many individuals unable to pay for or obtain fuel.

Number of People Affected

We do not know the actual number of households or people affected, although we are estimating it could range from 1.5 to 4.5 million households needing some assistance (i.e., 10%-30% of all poor and near-poor households). This estimate, which is admittedly crude, is based on rough surveys and the factors cited immediately above. Clearly, much will also depend on how cold it remains for how long, how supplies of various fuels are distributed, and on how utility companies behave when utility bills are not paid.

Insufficiency of Existing Funds to Meet Problem

The Community Services Administration and the Department of Health, Education and Welfare have reviewed the availability of existing funds that could be reprogrammed but conclude that there are insufficient dollars available using existing resources to respond adequately to the present crisis.

Nevertheless, we have asked, and are asking, state and local agencies to reprogram funds where available. Additionally, we are giving state and local grantees maximum flexibility to utilize social services agency and community action funds to deal with the crisis.

A Quick Presidential Initiative: Request a Supplemental Approach for CSA's Emergency Energy Conservation Program

The Community Services Administration and the Department of Health, Education and Welfare have examined existing emergency statutes to deal with those problems and have concluded that CSA's Emergency Energy Conservation Program (sub-section 222(a) (12) of the Economic Opportunity Act of 1964, as amended) is the best, quickest and most flexible federal instrument to meet the fuel cut-off crisis.

This program contains authority to deal with the energy and related problems of the poor and near poor as it was enacted to "enable low-income individuals and families, including the elderly and the near poor, to participate in energy conservation programs designed to lessen the impact of the high cost of energy on such individuals and families and to reduce individual and family energy consumption." Programs authorized include "... emergency loans, grants, and revolving funds... to deal with increased housing expenses relating to the energy crisis; alternative fuel supplies... outreach... nutrition, health, and other supportive services in the emergency cases."

There are other programs and authorities presently within HEW that could be used to provide some assistance, but these are either (1) not available in all affected areas, (2) do not target well on the population we are concerned with, or (3) would require new legislation and implementation action and therefore could not deliver the necessary assistance quickly.

Accordingly, HEW and CSA recommend the following actions:

- The President should request an immediate supplemental appropriation of a minimum of \$200 million specifically for crisis intervention through CSA's Emergency Energy Conservation Program.
- These funds should be allocated among affected states on a formula basis and the governors should be given power to decide where the money should be distributed and what delivery mechanisms will be used at the local level.

- The President should discuss the crisis intervention program directly with the governors urging them to get the money out to affected individuals and suggesting that they ask for utility companies to defer any fuel shut-offs for at least 60 days, and whenever possible to reconnect utilities that have been shut off.

Size of Supplemental

A conservative estimate indicates that approximately 10 percent of the poor and near poor households may require crisis intervention services. Based on the equally conservative estimate that the cost of services to each household is \$100, we estimate program costs to be—

$$15.0 \text{ million households} \times 10\% \times \$100 = \$150 \text{ million.}$$

At the other extreme, if the proportion of households in need is 30 percent and the cost of services is \$150, the requirement is \$675 million.

At this time, in order to begin to meet the need, while limiting the risk of excessive expenditures, we consider that the supplemental should be in the lower range—i.e., about \$200 million. If it appears that this is inadequate to meet the severity of the problem, then we could request another supplemental appropriation.

Program Operations

Because of complicated and time-consuming activities required to fulfill legal requirements, CSA cannot provide funds directly to the governors but must use its existing grantees. However, these grantees will merely be a funding conduit—and the governors can choose the agency to deliver services at the local level. The following funding alternatives will be available to the governor:

- Local Community Action Agencies can directly operate all programs;
- Local Community Action Agencies can operate some programs and subcontract to other local agencies chosen by the governor;
- State Economic Opportunity Offices could subcontract to all local agencies as designated by the governor.

Of the above, the first alternative is considered the quickest and most efficient way to get money into the local community, since it eliminates

one administrative layer. For the same reasons, the third is considered the least viable alternative.

The HEW/CSA working group is currently engaged in defining the specific nature of program operations and designing implementation mechanisms such as streamlined state plan specifications and grant application procedures.

Additional Legislation for the Longer Term

Finally, there is a need to ensure that existing federal emergency authorities work better in crisis situations. Under the Social Security Act, HEW has authority to provide emergency assistance (including covering utility bills) to families with children. Only 23 states and the District of Columbia have adopted this program, however, and few of these have chosen to cover utility bills. The matching rate is 50 percent in all states, rather than the sliding scale of 50-78 matching provided in the Aid to Families with Dependent Children program.

- a. Emergency Assistance Amendments. In order to prepare for a similar emergency in the future, HEW will draft proposed legislation to liberalize emergency assistance under the Social Security Act. The matching ratio should be altered and the President or the Secretary of HEW should have power to trigger the emergency program. In addition, current restrictions that limit the Act's usage to one 30-day period a year should be removed.
- b. CSA Amendments. Additionally, CSA will draft proposed legislation so that assistance provided under the previously discussed crisis intervention program is not counted as income, and does not, therefore, provide less assistance than intended. (Further, CSA will propose that the supplemental appropriation contain language to make it clear that assistance provided does not reduce benefits from other federally funded programs.)

STU

JACK

copy of section
(2) to Schlenger
re JC comment
keeps suggestion
oh "subject to
Tim's caveats"


(had carry-
today)

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

1 February 1977

FOR THE PRESIDENT

FROM: James R. Schlesinger 

Juanita's idea of establishing Centers for Business Emergencies within the Department of Commerce regional structure has merit. Such Centers could provide a useful real-time information supplement to existing Federal efforts, plus giving more specific guidance on potential relief measures (loans, etc.) to impacted businessmen.

The Centers' primary function should be to spotlight existing or potential problems to the appropriate Federal agencies. They should not attempt to:

1. Refer individual fuel availability complaints directly to various Federal agencies. State energy offices, through the State set-aside, are better equipped to handle such problems. Centers could, however, give FEA/FPC useful indications of area-wide problems which may be developing.
2. Involve themselves directly in suggesting how local distributors allocate their supplies of alternative fuels (as implied in function #3 in page 1 of the Presidential memo and in the example at the top of page 2). In most cases, notification of FEA counterparts should be sufficient to obtain the desired result, provided a bona fide supply problem exists.

When established, FEA would be delighted to develop the appropriate liaison relationship.

Attachment



THE SECRETARY OF COMMERCE
Washington, D.C. 20230

January 31, 1977

MEMORANDUM FOR THE PRESIDENT

SUBJECT: ANNOUNCEMENT OF NATIONWIDE CENTERS FOR
BUSINESS EMERGENCIES

The severe weather emergency has created problems unique to both households and businesses alike. In order to minimize the adverse effects upon the business community that could result in prolonged plant shutdowns and the consequent dislocations of employees and the products lost thereby, it is proposed that the 64 Department of Commerce Field Offices be established as Centers for Business Emergencies (CBE) in the districts in which they operate. They would be assisted by the Department's ten Secretarial Regional Representatives who would be responsible for the promotion of this service and all other necessary actions within their respective areas to make its availability known to the business people in their region; and by the Department's Office of the Ombudsman in Washington.

The functions of the Centers would be to:

- o Identify situations where existing Federal assistance could help a business but is not being utilized.
- o Answer or obtain answers to inquiries from businesses seeking information about possible solutions available at the Federal level to weather induced problems affecting their business.
- o Actively seek out problem areas in the business sector of which the Federal government is not aware and where the situation could be substantially relieved if Federal action were taken.
- o Relay such suggestions to the Department headquarters for appropriate action.



For example, on January 28 the Department of Commerce's Ombudsman in trying to assist the Duquesne Lighting Company of Pittsburgh to obtain oil for power generators, learned that the supplier, in the absence of government priority, was distributing what limited oil he could deliver on an equal basis to commercial accounts. Those receiving deliveries may have had a less important need than the Pittsburgh Electric Utility (Duquesne) whose reserve was down to zero. This information was forwarded to the Department's Energy Group which provides daily reports to FEA.

Under the proposed CBE program this type of service could be further extended.

The Department's field offices are already in place, and work closely with the Office of the Ombudsman located in the Department's headquarters. If a field office were unable to supply information a businessman needed, the office would contact the Department's Ombudsman in Washington. This office has contacts with all other Government agencies and is experienced in responding to inquiries, opinions and complaints of business and consumers, specializing in helping them cut through bureaucratic red tape.

I am attaching a proposed statement you might wish to use in announcing the program.

An announcement by you of the availability of these services to the business community will evidence a concern by the Department of Commerce to business needs during this emergency that has previously been lacking.

This again will serve to emphasize the Carter Administration's commitment to making Government more responsive to the people.

Juanita M. Kreps

PRESIDENTIAL STATEMENT

I have today directed the Secretary of Commerce to establish special Centers for Business Emergencies to assist weather-plagued businesses in finding out how the federal government may be able to help them.

These special centers will be operated out of the Department of Commerce's 64 regional offices around the nation.

If a businessman does not know where to turn for help, he can phone the nearest regional office of the Department of Commerce, and an expert will try to assist him.

This help could range from pinpointing the source of assistance in the federal government to seeing that useful and constructive suggestions reach the proper government official.


The present weather emergency is causing unique problems and will require the broadest possible effort by individual citizens and the government to meet the emergency.

THE WHITE HOUSE

WASHINGTON

February 2, 1977

MEMORANDUM FOR THE PRESIDENT

THRU: RICK HUTCHESON
FROM: STU EIZENSTAT 
SUBJECT: Centers for Business Emergencies

I concur with Jim Schlesinger's comment that establishment of Centers for Business Emergencies within the Department of Commerce is a timely and useful idea. I would reemphasize his point that these Centers should not have any direct role in local gas allocation priorities or distribution decisions.

On the timing of the announcement of these Centers, I have two concerns:

First, any announcement should be made simultaneously with your program for providing emergency relief on fuel bills to the poor and near poor. (You have received a memo from me dated February 1 outlining a suggested approach.) To do something for business and not for those whose households are threatened with fuel cut-offs would pose problems.

Second, I recommend that you couple announcement of these actions with a general call for a voluntary moratorium of fuel cut-offs by utilities and oil and gas distributors. Reverend Jesse Jackson has had some success in Chicago in persuading fuel companies to extend credit through the winter, and this might be replicated elsewhere. Any such statement should, however, stress that the fuel bills will still become due in the spring and that conservation efforts should be continued. If you concur with this approach, I can have a draft statement for you on these items just as soon as an approach to the fuel bill subsidy has been selected.

THE WHITE HOUSE
WASHINGTON

2/3/77

Stu Eizenstat -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Tim Kraft

*Jesse Jackson Fuel
Moratorium*

THE WHITE HOUSE
WASHINGTON

Mr. President:
Tim Kraft concurs.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

February 2, 1977

*Stu -
See me
Thurs. 9.11
J*

MEMORANDUM FOR THE PRESIDENT

FROM: STUART EIZENSTAT *Stu*
SUBJECT: Jesse Jackson Proposed Fuel
Cutoff Moratorium

As you may know, in order to follow up the request by Senators Muskie and Kennedy for crisis aid to prevent fuel shortages for low-income families, we have met with members of the Community Services Administration and the staffs of the relevant Senate and House authorizing and appropriation committees. While there is no really good solution, the attached memorandum sets out some possibilities.

At Tim Kraft's request, I talked with Jesse Jackson who had talked with Tim about a related matter which I believe merits both your attention and a Presidential meeting. Jesse Jackson told me last night that he, together with the chief executive officers of People's Gas Company, Commonwealth Edison, and other large industrial companies in Chicago, have worked out an innovative voluntary debt extension whereby fuel is not cut off by these companies to poor people unable to afford the additional cost of fuel during this winter, with the full bills to be paid at a later time in warmer weather.

He asked to be able to bring in these businessmen with him for a meeting with you on Friday.

I raised this at the senior staff meeting this morning and I think everyone felt this meeting would be an excellent idea. It would give us the opportunity to hold up this type of example of voluntary cooperation as one which you hope to be emulated throughout the country, to avoid having fuel cut-offs to poor families. Such a meeting would come at the appropriate time, to express your concern for the problem and your desire to handle the problem on a voluntary basis.

Jesse Jackson is also pushing the idea of "energy stamps." At this meeting you may or may not wish to announce a program along the lines set out in the attached memorandum. But even if such a program is not outlined, your call for the type of voluntary steps being taken in Chicago would be important and useful.

I will give to Jack and you our final staffed-out memorandum on the fuel situation as it relates to poor people, by tomorrow. Mr. Jackson stated that if the meeting could be arranged around mid-day Friday, it would permit ~~him~~ and the business executives to take a morning flight in.

Approve _____

Disapprove _____

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 11/11/01 BY 1043/UC/STW

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR: THE PRESIDENT

FROM: STUART EIZENSTAT
BERT CARP

SUBJECT: Crisis Aid to Prevent Fuel Shut Offs
to Low Income Families

We held a meeting yesterday with representatives of the White House staff, the Community Services Administration, and the staffs of the affected Senate and House authorizing and appropriation committees to discuss the proposal to provide emergency relief to low income Americans facing hardship because of high energy costs due to the extreme cold weather. There was a consensus on the following points:

1. Although the agencies do not have satisfactory figures, they claim that from two to four million low income families may face heating shut offs in the coming weeks because of an inability to meet fuel costs.
2. The best current estimate of the cost of meeting this situation is in the \$500 million range.
3. There are serious delivery system problems. The original proposal was to use the 900 existing Community Action Agencies to provide crisis intervention services to non-welfare families facing fuel shut offs (at a cost of roughly \$200 million), to provide weather-impacted states with funds to grant each welfare family \$100 with no individual determination of need (\$300 million), and to expand the existing Community Action Weatherization Program by \$150 million.

The following problems were apparent:

- Expanding the crisis intervention program from \$27.5 million to \$200 million might well over-strain the administrative ability of the CSA and expose the agency to severe criticism for failure to effectively deliver promised aid.

- Simply providing \$100 to welfare families would give many aid that is not needed (for example, those living in apartments where fuel costs are paid by the landlord), and provide others with insufficient aid to maintain heat.
- Expanding the weatherization program (aid to low income families to improve the weather-resistance of their homes through insulation and other means) is a long-term effort, and not one which can have an impact on the current situation.

Possible Solutions

We made it clear that the purpose of the meeting was to discuss the problems, and not to arrive at an Administration position. However, it is apparent that a proposal along the following lines would receive consensus support from both the agencies and the Congressional staffs:

1. No action to expand the weatherization program at this time, on the grounds that the cost of the package should be limited, and that weatherization is a longer-term problem.
2. Appropriation of emergency funds to the CSA under the broad authority of Section 221(a)(12) of the Community Services Act.
3. Distribution of all of the funds to the Governors to provide emergency assistance to both welfare and low income non-welfare persons facing fuel shut offs. The Governors would be given broad discretion to establish their own delivery systems, including use of local community action agencies, programs within the states for special groups such as the elderly, the state welfare agencies, and local governments.

We believe that serious administrative problems are inherent in an effort of this kind, and that broad discretion for the Governors is best, both to assure the most efficient delivery of aid possible, and to distribute responsibility for the foul-ups which are bound to occur.

Work in Progress

HEW and the CSA have been asked to work together on developing for your consideration better estimates of need and cost, and a formula for distribution of funds among the states. We hope to have this information later today.

Muskie-Kennedy Letter

We learned that Senators Muskie and Kennedy have been circulating a letter which they hope to have signed by a majority of the Senate urging your action. We suggested that it might be appropriate to delay this letter until an Administration position has been reached, and the Muskie and Kennedy staffs agreed that this would be appropriate.

The Budget

Implementation of this program will require an upward revision in the 3rd Concurrent Budget Resolution for FY 1977 in the range of \$200 to \$500 million. The House Budget Committee Democrats are in the process of developing their position on the Resolution. If you are inclined to proceed with the approach outlined above, it would be helpful if we could let them know informally that there may be an additional request.

Feb. 1, '77

Stu:

Rev. Jesse Jackson called last evening to request an appointment for sometime this week to dramatize a development in Chicago dealing with the energy crisis.

Apparently Jackson's organization has persuaded two utilities, Commonwealth Edison and People's Gas to halt any cut-offs of home fuel because of non-payment. A time payment schedule is set up, but the fuel is not withheld.

*moral exhortation, not
mandatory memorandum:
deferrals on
extra debit*

Jackson says that this program could serve as an example of cooperation to other hard-pressed areas in the country. He also wants to discuss increasing federal involvement in subsidizing domestic energy needs, referring to what he sees as "energy stamps" for the poor, in the very near future.

My questions to you:

- 1) is this a genuine innovation that might be
- worthy of presidential publicity and support?
Is this a 'people contact' possibility?
- 2) Would you or one of your staff look into this
and give me a recommendation by this evening?

Tim Kraft

2293371

ACTION MEMORANDUM

THE WHITE HOUSE

WASHINGTON

LOG NO.: 2/3

Date: February 2, 1977

Time:

FOR ACTION:

cc (for information): FYI
Rick Hutcheson

✓ Jack Watson
Stu Eizenstat

FROM THE STAFF SECRETARY

DUE: Date: Wednesday, February 2, 1977 Time: 10 A.M.

SUBJECT:

James R. Schlesinger memo to the President
re Centers for Business Emergencies.

ACTION REQUESTED:

<input type="checkbox"/> For Necessary Action	<input checked="" type="checkbox"/> For Your Recommendations
<input type="checkbox"/> Prepare Agenda and Brief	<input type="checkbox"/> Draft Reply
<input checked="" type="checkbox"/> For Your Comments	<input type="checkbox"/> Draft Remarks

REMARKS:

Eizenstat - see comments

Please return comments to:

Trudy Fry - West Basement

X2684

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

RICK HUTCHESON
STAFF SECRETARY

JACK

STY

orig back to
Schlenker to
correct typo

comments
back by 2/2
10 AM

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

1 February 1977

FOR THE PRESIDENT

FROM: James R. Schlesinger 

SR Juanita's idea of establishing Centers for Business Emergencies within the Department of Commerce regional structure has merit. Such Centers could provide a useful real-time information supplement to existing Federal efforts, plus giving more specific guidance on potential relief measures (loans, etc.) to impacted businessmen.

The Centers' primary function should be to spotlight existing or potential problems to the appropriate Federal agencies. They should not attempt to:

1. Refer individual fuel availability complaints directly to various Federal agencies. State energy offices, through the State set-aside, are better equipped to handle such problems. Centers could, however, give FEA/FPC useful indications of area-wide problems which may be developing.
2. Involve themselves directly in suggesting how local distributors allocate their supplies of alternative fuels (as implied in function #3 in page 1 of the Presidential memo and in the example at the top of page 2). In most cases, notification of FEA counterparts should be sufficient to obtain the desired result, provided a bona fide supply problem exists.

When established, FEA would be delighted to develop the appropriate liaison relationship.

Attachment



THE SECRETARY OF COMMERCE
Washington, D.C. 20230

January 31, 1977

MEMORANDUM FOR THE PRESIDENT

SUBJECT: ANNOUNCEMENT OF NATIONWIDE CENTERS FOR
BUSINESS EMERGENCIES

The severe weather emergency has created problems unique to both households and businesses alike. In order to minimize the adverse effects upon the business community that could result in prolonged plant shutdowns and the consequent dislocations of employees and the products lost thereby, it is proposed that the 64 Department of Commerce Field Offices be established as Centers for Business Emergencies (CBE) in the districts in which they operate. They would be assisted by the Department's ten Secretarial Regional Representatives who would be responsible for the promotion of this service and all other necessary actions within their respective areas to make its availability known to the business people in their region; and by the Department's Office of the Ombudsman in Washington.

The functions of the Centers would be to:

- o Identify situations where existing Federal assistance could help a business but is not being utilized.
- o Answer or obtain answers to inquiries from businesses seeking information about possible solutions available at the Federal level to weather induced problems affecting their business.
- o Actively seek out problem areas in the business sector of which the Federal government is not aware and where the situation could be substantially relieved if Federal action were taken.
- o Relay such suggestions to the Department headquarters for appropriate action.



For example, on January 28 the Department of Commerce's Ombudsman in trying to assist the Duquesne Lighting Company of Pittsburgh to obtain oil for power generators, learned that the supplier, in the absence of government priority, was distributing what limited oil he could deliver on an equal basis to commercial accounts. Those receiving deliveries may have had a less important need than the Pittsburgh Electric Utility (Duquesne) whose reserve was down to zero. This information was forwarded to the Department's Energy Group which provides daily reports to FEA.

Under the proposed CBE program this type of service could be further extended.

The Department's field offices are already in place, and work closely with the Office of the Ombudsman located in the Department's headquarters. If a field office were unable to supply information a businessman needed, the office would contact the Department's Ombudsman in Washington. This office has contacts with all other Government agencies and is experienced in responding to inquiries, opinions and complaints of business and consumers, specializing in helping them cut through bureaucratic red tape.

I am attaching a proposed statement you might wish to use in announcing the program.

An announcement by you of the availability of these services to the business community will evidence a concern by the Department of Commerce to business needs during this emergency that has previously been lacking.

This again will serve to emphasize the Carter Administration's commitment to making Government more responsive to the people.

Juanita M. Kreps

PRESIDENTIAL STATEMENT

I have today directed the Secretary of Commerce to establish special Centers for Business Emergencies to assist weather-plagued businesses in finding out how the federal government may be able to help them.

These special centers will be operated out of the Department of Commerce's 64 regional offices around the nation.

If a businessman does not know where to turn for help, he can phone the nearest regional office of the Department of Commerce, and an expert will try to assist him.

This help could range from pinpointing the source of assistance in the federal government to seeing that useful and constructive suggestions reach the proper government official.

The present weather emergency is causing unique problems and will require the broadest possible effort by individual citizens and the government to meet the emergency.

Comments from
Staffing

THE WHITE HOUSE
WASHINGTON

February 2, 1977

MEMORANDUM FOR THE PRESIDENT

THRU: RICK HUTCHESON
FROM: STU EIZENSTAT *Stu*
SUBJECT: Centers for Business Emergencies

I concur with Jim Schlesinger's comment that establishment of Centers for Business Emergencies within the Department of Commerce is a timely and useful idea. I would reemphasize his point that these Centers should not have any direct role in local gas allocation priorities or distribution decisions.

On the timing of the announcement of these Centers, I have two concerns:

First, any announcement should be made simultaneously with your program for providing emergency relief on fuel bills to the poor and near poor. (You have received a memo from me dated February 1 outlining a suggested approach.) To do something for business and not for those whose households are threatened with fuel cut-offs would pose problems.

Second, I recommend that you couple announcement of these actions with a general call for a voluntary moratorium of fuel cut-offs by utilities and oil and gas distributors. Reverend Jesse Jackson has had some success in Chicago in persuading fuel companies to extend credit through the winter, and this might be replicated elsewhere. Any such statement should, however, stress that the fuel bills will still become due in the spring and that conservation efforts should be continued. If you concur with this approach, I can have a draft statement for you on these items just as soon as an approach to the fuel bill subsidy has been selected.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: February 1, 1977

Time:

51

FOR ACTION:

cc (for information): FYI

Rick Hutcheson

Jack Watson
Stu Eizenstat977 ^{Feb} 1 PM 5 37XC: Carp.
Draft
Schirmer

FROM THE STAFF SECRETARY

DUE: Date: Wednesday, February 2, 1977 Time: 10 A.M.

SUBJECT:

James R. Schlesinger memo to the President
re Centers for Business Emergencies.

ACTION REQUESTED:

☐ For Necessary Action☒ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

REMARKS:

Please return comments to:

Trudy Fry - West Basement

X2684

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.If you have any questions or if you anticipate a
delay in submitting the required material, please
telephone the Staff Secretary immediately.RICK HUTCHESON
STAFF SECRETARY

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

Q

February 3, 1977

MEMORANDUM TO: THE PRESIDENT
FROM: JACK WATSON *Jack*
RE: LATEST LABOR DEPARTMENT STATISTICS
ON UNEMPLOYMENT RESULTING FROM
THE WEATHER ENERGY CRISIS

Ray Marshall called to give me the latest Labor Department statistics (as of February 1st) on the unemployment effects of the weather/energy crisis. Because the figures differ so radically from earlier ones, I thought it best to get them to you immediately.

The total unemployed due to weather/energy shortage is estimated at 1.7 million. Some of the hardest-hit unemployment areas are:

New York	450,000
Pennsylvania	300,000
Ohio	100,000
Maryland	153,000
Virginia	145,000
New Jersey	37,000

N 1 1/2 mil

These figures have been confirmed through the Regional Offices, and Ray believes they are actually under-stated in some areas.

THE WHITE HOUSE

WASHINGTON

2-2-77

To Bob Lipschutz
for routing to top staff

I am concerned about the family lives of all of you. I want you to spend an adequate amount of time with your {husbands & wives} & children, and also to involve them as much as possible in our White House life. We are going to be here a long time, and all of you will be more valuable to me & the Country with rest and a stable home life. In emergencies we'll all work full time. Let me have your comments. J. Carter

February 3, 1977

The attached is for your information. Please send any comments to Bob Lipshutz by Friday, February 4, 1977.

Midge Costanza
Zbigniew Brzezinski
James Schlesinger
Madeline MacBean
Mary Hoyt
Tim Kraft
Joseph Aragon
Peter Bourne
Greg Schneiders
Jim King
Richard Harden
Hugh Carter
Joseph Mitchell

Copy of letter has already been sent to the following persons:

Bob Lipshutz
Hamilton Jordan
Stu Eizenstat
Jack Watson
Frank Moore
Jody Powell

Rick Hutcheson
Staff Secretary

THE WHITE HOUSE
WASHINGTON

(✓ already have copy of letter)

WALT 293
REX 233

✓ Lipshutz
✓ Jordan
✓ Eizenstat
✓ Watson
Moore
✓ Powell

Costanza

Brzezinski
Schlesinger
MacBean Hoyt
Kraft
Aragon
Mitchell
Bourne
Schneiders
King
Harden
Carter

send copies to attached list
(as many additional as
needed) — with note from me —
"send comments to Bob Lipshutz by Friday"
2/4

R. H

THE WHITE HOUSE
WASHINGTON

February 3, 1977

Jack Watson

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

*Coordinating Committee
on Energy & Weather
Problems*

CC

Watson

THE PRESIDENT HAS SEEN.

Jack *Q*

THE WHITE HOUSE
WASHINGTON

February 1, 1977

MEMORANDUM TO: THE PRESIDENT
FROM: Jack Watson *Jack*
RE: Coordinating Committee on Energy
and Weather Problems

As of 6:00 P.M. this evening, memoranda concerning suggestions or initiatives on dealing with energy/weather problems had been received from the:

Department of Transportation
Department of Defense
Federal Energy Administration
Department of Housing and Urban Development
Department of Agriculture
Department of the Interior
Federal Disaster Assistance Administration

In summary, the actions taken by these departments, although significant in some cases, are somewhat disappointing. A summary of major departmental actions is shown in Attachment 1. We are reviewing a number of suggestions that would offer relief in addition to that already being provided.

The weather forecast for the immediate future is uniformly bleak: below normal temperatures east of the Rockies; natural gas demand projected at 10 - 46% higher than last year; high potential for flooding during March and April; drought conditions continuing west of the Mississippi.

Satisfactory progress is being made in meeting the human needs in New York and Pennsylvania. The major part of the federal help is in the form of contracting for and funding the clearance of major traffic arteries. Additionally, an engineer battalion from Fort Bragg, North Carolina (of approximately three hundred men and forty pieces of heavy equipment), has been directed to the Buffalo, New York area. A state-by-state review by the Federal Disaster Assistance Administration is shown in Attachment 2.

A significant issue for immediate consideration is how to deal with the probable flooding in the Northeast and Ohio River Valley. As you noted at the Cabinet meeting, the enormous quantities of snow and ice pose a very severe flooding danger as soon as the thaw comes. The Corps of Engineers and National Weather Service were about to issue press releases on the subject, but, at my request, have delayed them for a few days. I believe that premature statements on a flooding hazard in the midst of the present crisis would be unnecessarily alarming and counterproductive. The delay will permit us to do a more intensive review of the data and to come up with some recommendations for constructive action. I shall report back to you as soon as the review is completed.

In addition to the staff group cited yesterday, the Corps of Engineers, Department of Transportation, and the Congressional Liaison Office will send representatives to all future meetings.

Attachments

*Give me danger
flooding
estimates
J*

ATTACHMENT 1

ACTIONS TAKEN

Department of Transportation

- o Will establish a hot line number available to Governors and state officials to expedite the movement of barges, railroad cars and truck traffic.
- o The Federal Highway Administration has suspended the limitation on the hours worked by truckers.
- o Coast Guard icebreakers and Navy tugboats are assisting in the icebreaking operation in the Potomac and James Rivers.
- o Is granting emergency exemptions to permit the movement of liquid natural gas and propane.

Department of Defense

Pennsylvania: 3 front-end loaders
2 dump trucks
5 bulldozers
6 tanker trucks
1 snowplow
and other miscellaneous equipment

New York: 200 blankets
1 helicopter
4 assault amphibian vehicles

Federal Energy Administration

- o Amended regulations to permit natural gas utility companies to use propane as a supplement to natural gas.
- o Issued emergency regulations making propane available to utilities to meet essential human needs.
- o Ordered (9) refineries in Minnesota, North Dakota, Michigan and Illinois to increase production of fuel oil which has been in short supply.
- o Redirected 128,000 gallons of propane gas to ease a shortage in residential areas of West Virginia.

ACTIONS TAKEN (continued)

Department of Housing and Urban Development

- o Has forbidden evictions from any properties if the occupants' health or safety would be endangered.
- o Has made available additional funds to meet fuel related cost increases.

Department of Agriculture

Provided a listing of resources.

Department of the Interior

Provided a listing of resources.

Federal Disaster Assistance Administration

See Attachment 2.

Small Business Administration

The Administrator will declare New Jersey homeowners and businessmen eligible for low interest loans as a result of losses caused by the severe weather.

ATTACHMENT 2

MAJOR DISASTERS

Maryland

The US Coast Guard continues in its efforts to keep the major waterways open to barge traffic. The Small Business Administration is accepting loan applications and disaster unemployment benefits are available.

Virginia

The Emergency Food Stamp Program has been authorized. The Small Business Administration is accepting loan applications and disaster unemployment assistance benefits are available. Representatives of the Coast Guard and Navy are working to keep major waterways open to barge traffic.

Florida

Disaster centers for processing unemployment claims will open on February 2. Special centers will be set-up in migrant worker camps.

EMERGENCIES

New York

First Army personnel moved four (4) snow blowers and support equipment to the Buffalo area. Representatives of the Corps of Engineers have let seventeen (17) snow and auto removal contracts involving fifty (50) pieces of equipment. An engineer battalion from Ft. Bragg, North Carolina, has been directed to the Buffalo area.

Pennsylvania

Three (3) truck-mounted snow blowers have been airlifted into Northwestern Pennsylvania. Representatives of the Corps of Engineers have contracted for specialized equipment to thaw frozen water mains in Blossburg.

PRESIDENTIAL REQUESTS PENDING

Indiana

The National Guard is still working with State Highway units to open the road network. Helicopter rescue of isolated families continues. Thirty-five (35) people remain in shelters. Representatives of the Federal Disaster Assistance Administration are working with State officials on assessing the types of assistance required.

New Jersey

Two (2) Coast Guard ice breakers are clearing waterways to permit movement of oil and other fuel vessels.

THE WHITE HOUSE
WASHINGTON

February 3, 1977

Jack Watson

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

—

JACK

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

January 31, 1977

MEMORANDUM TO: THE PRESIDENT
FROM: JACK WATSON *J.W.*
SUBJECT: Coordinating Committee on
Energy/Weather Problems

Telegrams were sent to the twelve (12) states identified as having the most serious energy/weather problems. The text of the telegram and addressees are shown in Attachment 1.

As of 3:00 p.m. January 31, we have received responses from the Governors of the following states:

Connecticut
Delaware
New Jersey
Ohio
South Carolina
Virginia
West Virginia

All members of the coordinating committee (see Attachment 2) and staff designees have received copies of all communications and their comments have been requested. I will keep you advised daily as to the status of all actions taken in response to the messages from the Governors. We shall also maintain close contact with the Governors and keep them apprised of our actions and other relevant federal activities.

Liaison has been established in the Cabinet agencies, and representatives of these agencies will be providing reports on significant activities in each of their areas of concern.

A copy of that memorandum with addressees is shown as Attachment 3. I plan to use the Federal Disaster Assistance Administration (FDAA) as a control center for the receipt and organization of all reports. The evaluation of the information received will be performed by the coordinating committee under my supervision.

During the period of critical weather and fuel shortage problems, I will give you a daily report, listing by state the major problems and actions taken. The first report will be available the evening of February 1.

Attachments - 3

Attachment 1

Memorandum for the President
January 31, 1977

Text of Telegram:

"I am deeply concerned about the human suffering and economic problems being caused by the energy shortages.

To help deal with these problems, I would appreciate your providing me specific information on energy related problems in your state, and your views as to how these problems could be mitigated or resolved. I have asked Jack Watson, Secretary to the Cabinet and the Assistant to the President for Intergovernmental Relations, to coordinate the efforts of an inter-agency group that will collect such information and oversee the federal response to this serious problem.

Please telegraph your response attention: Jack Watson/
Coordinating Group/White House, D.C."

Jimmy Carter

Sent to:

Governor James R. Thompson, Illinois

Governor Otis Bowen, Indiana

Governor Julian Carroll, Kentucky

Governor Hugh L. Carey, New York

Governor James A. Rhodes, Ohio

Governor Milton J. Shapp, Pennsylvania

Governor James B. Edwards, South Carolina

Governor Ray Blanton, Tennessee

Governor Mills Godwin, Virginia

Governor Jay Rockefeller, West Virginia

Governor Brendan T. Byrne, New Jersey

Governor George Busbee, Georgia

Attachment 2

MEMBERS AND STAFF REPRESENTATIVES OF THE
COORDINATING COMMITTEE ON ENERGY AND WEATHER PROBLEMS

Committee Members

Jack Watson
Stu Eizenstat
Jim Schlesinger
Bert Lance
Juanita Kreps
Pat Harris
Ray Marshall

Staff Representatives

Walter Kallaur
Lynn Daft
Frank Pagnotta
Vince Puritano
Lucy Falcone
Tom Dunne
Paul Jensen

Attachment 3

Memorandum for the President
January 31, 1977

Text of Memorandum

To ensure that the President has the most comprehensive and timely information on the situation throughout the nation, I would appreciate it if you would have your Department provide a daily summary of its activities in response to weather/fuel related problems on a state-by-state basis. I suggest the following format:

Agency _____ Date _____

State of _____

1. Urgent problem - description
 - A. Actions taken by state/local governments
 - B. Federal help requested
 - C. Federal action contemplated or taken

Please forward this report by messenger to the Administrator, Federal Disaster Assistance Administration, (FDAA), Room 700, 1111 - 18th Street, NW, Washington, DC. The report should arrive by noon of each day and deal with the preceding 24-hour period. If you have any questions, please call Walter Kallaur, (202) 456-6262.

I plan to give the President a report at the end of each day.

Attachment 3
List of Addressees

Memorandum to the President
January 31, 1977

Robert Bergland, Secretary, Department of Agriculture
Juanita M. Kreps, Secretary, Department of Commerce
Harold Brown, Secretary, Department of Defense
Patricia Roberts Harris, Secretary, Department of Housing
and Urban Development
Cecil Andrus, Secretary, Department of the Interior
Ray Marshall, Secretary, Department of Labor
Brock Adams, Secretary, Department of Transportation
Michael Blumenthal, Secretary, Department of the Treasury
Griffin B. Bell, Attorney General, Department of Justice
Joseph A. Califano, Jr., Secretary, Department of Health,
Education and Welfare
George M. Stafford, Chairman, Interstate Commerce Commission
Ronald Gerevas, Acting Director, ACTION
Marcus A. Rowden, Chairman, Nuclear Regulatory Commission
Jack Eckerd, Administrator, General Services Administration
Mitchell P. Kobelinski, Administrator, Small Business
Administration
Richard L. Roudebush, Administrator, Veterans Administration
John R. Quarles, Acting Administrator, Environmental Protec-
tion Agency
Karl E. Bakke, Chairman, Federal Maritime Commission
Richard L. Dunham, Chairman, Federal Power Commission
Gorman C. Smith, Acting Administrator, Federal Energy
Administration
Robert Fri, Acting Administrator, Energy Research and
Development Administration

THE WHITE HOUSE
WASHINGTON

Peter Bourne

The attached statement was approved by the President for the Meeting of the United Nations Commission on Narcotic Drugs in Geneva on February 7.

Bob Linder will be touching base with the Press Office on this statement.

Rich Hutcheson
2/3/77

8

STATEMENT BY THE PRESIDENT

Drug abuse is a major threat to mankind that respects no national boundaries. As I begin my Administration, I recognize that drug abuse, like so many other problems that face us, is global in nature and can be solved only through concerted international cooperation. Drug addiction is the cause of untold human suffering afflicting both the rich and the poor. Of particular concern to us, however, is the recent dramatic increase in addiction and its destructive effect on the limited human and economic resources of many of the less affluent nations of the world.

We must combine deep compassion for the victims of addiction with a vigorous attempt to eliminate the world supply of illicit drugs through international cooperation. Towards that end, I am making the curtailment of drug abuse a high priority in my Administration. I have designated a highly competent staff in the White House to give this problem special attention. I intend to take a personal interest in this program and will monitor its progress. I am confident that working together in international cooperation we will achieve success. I ask your support in this endeavor.

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Jimmy Carter

THE WHITE HOUSE
WASHINGTON
February 3, 1977

Charles Shultze

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jack Watson
Stu Eizenstat

*Economic Impact of
Cold Weather*

Schulke
Jach
Stu

THE WHITE HOUSE
WASHINGTON

Mr. President:

No comments from
senior staff.

Rick

THE PRESIDENT HAS SEEN.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

January 29, 1977

*Charles -
Don't modify our
position without my
prior approval
J*

MEMORANDUM FOR THE PRESIDENT

FROM: CHARLES SCHULTZE ^{CLS}

SUBJECT: Economic Impact of Cold Weather

After checking with Jim Schlesinger and Juanita Kreps I have asked the new Council Member Designate, Bill Nordhaus, to organize a small working group -- using the resources of the Department of Commerce, the FEA, the FPC and other agencies -- to evaluate the economic impact of the cold weather and to monitor its impact continuously.

I will relay to you as it comes in the analysis of this group and its implications for economic policy.

On a very tentative basis we have estimated that colder weather will force consumers to spend somewhere between \$2 and \$5 billion more on heating bills than would normally be expected. (The large range in the figure represents both data uncertainties and uncertainties as to whether or not the abnormal cold will continue for the rest of the heating season.) These added expenditures will not generate higher employment. But they will leave that much less in consumer pockets for other employment-creating expenditures. One way to look at it is that some \$2 to \$5 billion of the tax rebate may be "lost" by being diverted to paying higher heating bills.

The above estimates do not take into account the possible longer lasting effects of plant shutdowns, on which we have just begun to work. (For example, will plant shutdowns lead simply to less work now, offset by larger employment and working hours later, as depleted stocks are rebuilt; or will it lead to a permanent loss of workers' incomes which will show up in lower consumer spending over the next six months?)



I am beginning to be queried by reporters -- and will surely be queried next week by the Congress -- as to whether a continuation of the cold weather will force a modification of our economic stimulus package. My answer has been that we are in the process of evaluating and monitoring the situation; that we are, of course, not rigid in our approach; but that it is too early to reach any firm conclusions about the appropriate fiscal response to economic problems caused by cold weather.

Date: January 29, 1977

Time:

FOR ACTION:

cc (for information):

Stu Eizenstat

Jody Powell

FROM THE STAFF SECRETARY

DUE: Date: Monday, January 31

Time: 10 A.M.

SUBJECT:

Charles Schultze memo 1/29/77

re: Economic Impact of Cold Weather

ACTION REQUESTED:

☐ For Necessary Action☐ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

REMARKS:

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 28

Date: January 29, 1977

Time: FYI Rich Hutcheson

FOR ACTION:

cc (for information):

Stu Eizenstat ✓

Jody Powell

FROM THE STAFF SECRETARY

DUE: Date: Monday, January 31

Time: 10 A.M.

SUBJECT:

Charles Schultze memo 1/29/77
re: Economic Impact of Cold Weather

ACTION REQUESTED:

☐ For Necessary Action☐ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

REMARKS:

Congress will use problems caused by cold weather as an excuse to do what they wanted to do anyway - add several billion dollars into the package. This will raise the deficit even higher, but we should keep flexible enough to accommodate some changes.

Stu

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

RICK HUTCHESON
STAFF SECRETARY

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

January 29, 1977

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THE WHITE HOUSE
WASHINGTON

~~January~~ 3, 1977

Feb.

Hamilton Jordan

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Midge Costanza

*Chairman - Equal
Employment Opportunity
Commission
- Eleanor Holmes Norton -*

HJ
midgl

THE WHITE HOUSE
WASHINGTON

February 2, 1977

MR PRESIDENT:

Ham Jordan had no comments on
the attached memorandum.

Rick Hutcheson

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

January 29, 1977

*Ham -
Looks good
J*

MEMORANDUM FOR

THE PRESIDENT

FROM

MIDGE COSTANZA *MC*

SUBJECT: Appointment of Chairman of the Equal Employment
Opportunity Commission

In following through on your concern expressed to me to bring to your attention women for important positions, I wish to submit the name of an especially well qualified woman for Chairman of the Equal Employment Opportunity Commission. After six years as Chairman of the equivalent commission in New York City, Commissioner Eleanor Holms Norton is regarded as the outstanding professional in the country in the field of equal opportunity. She has earned a national reputation that leaves her without peers (although possibly with some other contenders) for the position. She would lend the two qualities that the EEOC most needs - leadership and technical management competence in the field.

As you know, EEOC is among the most troubled federal agencies, having gone through a series of chairmen in rapid succession who brought no experience that would help them cope with the commission's mounting and disastrous backlog of cases. Commissioner Norton has fashioned a system in New York that handles cases so expeditiously that the New York City Commission has had no backlog for some time. Deputy Mayor John Zucotti and other top managers in New York City regard her as one of the very best managers among city administrators in city government. I cannot overemphasize how important it is to appoint a person with this kind of track record to an agency whose performance apparently results from the appointment of commissioners who had no experience or track record in the field.

Commissioner Norton's leadership qualities are also an important consideration in choosing the EEOC Chairman. When an agency has functioned poorly for a considerable period of time, strong leadership is necessary

CLASSIFIED BY 1045 REMOVED FROM FILE FOR
PROSECUTION PURPOSES

to rally people to a new system and better management. Commissioner Norton has the stature in the field necessary to gain the respect of the agency personnel.

Finally, Commissioner Norton presents you with an opportunity to appoint a woman who is without male peers. We often have a woman who is well qualified among several well qualified men. In this instance a person with the national reputation in the field happens to be a woman. Her nomination would thus be greeted as an especially creditable one not only by women, but by minorities and by citizens who know this field, among whom she enjoys the same strong reputation.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: January 31, 1977

Time:

Jan 2/2

FOR ACTION:

cc (for information): FYI

Rick Hutcheson

✓ Hamilton Jordan

FROM THE STAFF SECRETARY

DUE: Date: Wednesday, February 2, 1977 Time: 10:00 A.M.

SUBJECT:

Midge Costanzan memo, 1/29/77 re
Appointmentsof Chairman of the Equal
Employment Opportunity Commission.

ACTION REQUESTED:

___ For Necessary Action

X For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

X For Your Comments

___ Draft Remarks

REMARKS:

Please return comments to:

Trudy Fry - West Basement

X 705X 2684

*Hamilton Jordan -
no comments*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

RICK HUTCHESON
STAFF SECRETARY

Stays to
Hamilton

back bus
Wed
1/2 10 AM

THE WHITE HOUSE

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FOR ACTION:

cc (for information): FYI
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Hamilton Jordan

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No Comments

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If you have any questions or if you anticipate a
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telephone the Staff Secretary immediately.

RICK HUTCHESON
STAFF SECRETARY

THE WHITE HOUSE
WASHINGTON

February 3, 1977

Jack Watson

The attached was returned in the
President's outbox. It is
forwarded to you for handling
with Secretary Adams.

Rick Hutcheson

*Midway Airport
Service Case*

TO JACK

ADAMS
THRU
JACK

THE WHITE HOUSE
WASHINGTON

Mr. President:

Bob Lipshutz concurs.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

I approve
J

February 2, 1977

MEMORANDUM TO: THE PRESIDENT
FROM: Jack Watson *Jack*
RE: RECOMMENDATION FROM BROCK ADAMS
ON THE MIDWAY AIRPORT SERVICE CASE

The attached memorandum from Brock Adams is self-explanatory. In essence, it recommends that DOT file in support of applications pending before the CAB for certain new air service between Chicago and other mid-western cities. DOT's intervention in the case must occur on or before Thursday, February 4. ?

I have checked with the Antitrust Division of the DOJ, OMB, Stu Eizenstat, and the Council on Wage and Price Stability; all concur in the DOT recommendation.

I recommend approval of Brock's position.

Attachment



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

*To Sec Adams -
I approve the
Midway intervention -
Proceed -
January 28, 1977 J.C.*

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Aviation Regulatory Reform - - Midway Airport
Service Case

Background

A proceeding before the Civil Aeronautics Board will decide on applications by two companies, Midway Airlines, Inc., and Midway (Southwest) Airway Co., seeking Federal authority to operate non-stop air service between Midway Airport in Chicago and numerous Midwestern cities; e.g., Detroit, Cleveland, Kansas City, St. Louis, Minneapolis, Pittsburgh. While certificated carriers serve O'Hare Airport, they have almost abandoned Midway. The applicants propose to offer a new kind of high-frequency service at much lower fares than presently offered by CAB certificated carriers. The applicants argue that the service will benefit consumers by reducing costs and making air transportation more accessible. The applicants say it will cause little harm to existing carriers and contribute to the redevelopment of the south side of Chicago.

The opponents or cross-applicants such as Delta Airlines fear this will cause competitive injury to them. The case is seen as a test of the Administration's view on competition in the airline industry because it would initiate price competition and be the first CAB certification of a new airline for interstate markets in over 30 years.

The Administration should exercise transportation policy leadership by filing a strong position at the CAB by February 4. The filing would be a signal of the Administration's position on aviation regulation. There are two major underlying positions on regulatory reform.

Option 1: Substantial Regulatory Reform

One position is that significantly liberalized entry and increased price competition are necessary in order to achieve substantial aviation regulatory reform. These policies are embodied in the Midway applications, and, if this is our policy choice, we should support them. Such reform would increase competition in the airline industry. The arguments for such reform are that it would provide the consumers lower prices and better service. It would raise load factors and better utilize aviation resources. Such reform has been

proposed by Senator Cannon and Representative Glenn Anderson (Chairmen of the Aviation Subcommittees), as well as by a broad coalition including Senator Kennedy, Walter Heller, and consumer groups. The City of Chicago supports the applications, and we understand that the principally affected airline competitor (United Airlines) will not oppose the application.

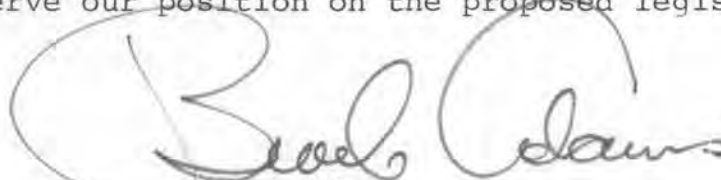
Option 2: Procedural Regulatory Reform

Such reform would retain regulation in much its present form but would seek to improve it largely by making procedural changes and imposing time limits on CAB decisions. Supporters of this policy, including almost all of the currently certificated scheduled airlines, contend that the present level of regulation is needed to insure stability of the scheduled airline industry, and oppose the Midway applications (see attachment).

We understand that the Department of Justice Antitrust Division strongly desires to file in support of the Midway applications because they are pro-competitive. Presidential policy guidance to DOT and DOJ is requested.

Recommendation

That we file with the CAB in support of the Midway applications but reserve our position on the proposed legislation.



Brock Adams

cc: The Attorney General

Attachment

ATTACHMENT

Six carriers (Allegheny, American, North Central, Northwest, Ozark and TWA) filed previously in general opposition, questioning the need for the new service and/or the pricing structure. Additional responses, being received today, are as follows:

1. Delta has filed a competing application to serve Midway-Cleveland/Kansas City/Detroit/Minneapolis-St. Paul.
2. Continental filed voicing no opposition to the applications as long as restrictions on their competing routes are removed.
3. Chicago Airlines (a subsidy of Allegheny Airlines) filed a competing application to serve Midway-Cincinnati/Cleveland/Detroit/Kansas City/Minneapolis-St. Paul/Pittsburgh/St. Louis.

log into The
Glen 2/2
B

THE WHITE HOUSE
WASHINGTON

February 2, 1977

MEMORANDUM TO: THE PRESIDENT
FROM: Jack Watson *Jack*
RE: RECOMMENDATION FROM BROCK ADAMS
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I have checked with the Antitrust Division of the DOJ, OMB, Stu Eizenstat, and the Council on Wage and Price Stability; all concur in the DOT recommendation.

I recommend approval of Brock's position.

M. McGinnis -OK.

Attachment

1

THE WHITE HOUSE
WASHINGTON

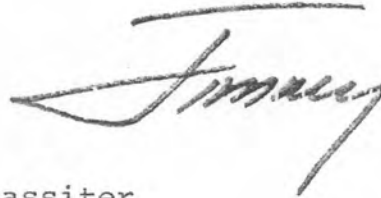
February 3, 1977

To Jackie Lassiter

Thanks for letting me know of your suggestion that consumers be represented in any advisory group to a Department of Energy.

Your comments are good, and I'll give every consideration to your request to be included in such a group.

Sincerely,



Ms. Jackie Lassiter
One Perimeter Way
Suite 400
Atlanta, Georgia 30339

*p.s. We'll ask you to help.
Love, J*

cc: Ham

66
PR-1
C
THE WHITE HOUSE
WASHINGTON

HANDSHAKE WITH

Kenneth Curtis, Chairman, DNC
Al Barkan, Director, COPE, AFL-CIO
Lane Kirkland, Secretary-Treasurer
AFL-CIO
Tom Donahue, Executive Assistant
to the President, AFL-CIO

Thursday, February 3, 1977

11 am - for 2 minutes

Oval Office

FROM: Hamilton Jordan ^{HS}
Landon Butler ^B

I. PURPOSE: Brief greeting.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN:

- A. Background: Meeting with the President will be prelude to meeting (Jordan, Butler, Curtis, Barkan, Kirkland, Donahue) regarding the Democratic National Committee.
- B. Participants: Kenneth Curtis, Al Barkan, Lane Kirkland, Tom Donahue.
- C. Press Plan: White House Photographer only.

FEB 5 1977
CENTRAL FILES

THE PRESIDENT HAS BEEN.

THE WHITE HOUSE
WASHINGTON

February 2, 1977

MEETING TO DISCUSS ECONOMIC
SITUATION AND APPOINTMENTS
IN KENTUCKY

Thursday, February 3, 1977
10:00 a.m. (15 minutes)
The Oval Office
From: Frank Moore *F.M.*

I. PURPOSE

To discuss the economic situation and appointments in Kentucky.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: To discuss economic situation and appointments in the State of Kentucky.
- B. The Honorable Julian^{*} Carroll, Governor of Kentucky; and Frank Moore.
- C. Press Plan: White House photographer.

III. TALKING POINTS

The President and Governor Carroll will have a brief discussion.

ST11
PR4-1
BE4
PE2
F66-1-1/Moore
Frank

5-17
CENTRAL FILES

THE WHITE HOUSE
WASHINGTON
February 3, 1977

To Michael Stapleton

Thanks for the apology, but I
certainly don't mind! You should
have let me know whether you thought
the chair was comfortable!

Sincerely,



Mr. Robert M. Stapleton
329 DeVane Street
Fayetteville, North Carolina 28305

*p.s. You're the only one who
sat in the chair before
me!*

*Your friend,
J.*

THE WHITE HOUSE

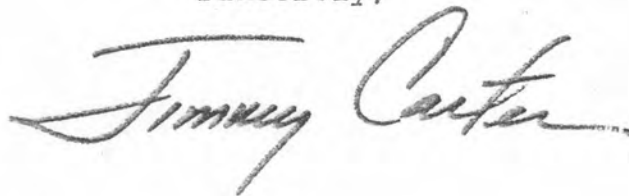
WASHINGTON

February 3, 1977

To Kathy, Maureen and Ann Maloney

I really appreciate your notes!
Thanks for having your parents bring
them when they came for the Inaugura-
tion. It's great to know that I have
such good fans and friends in Iowa!

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned below the word "Sincerely,".

Kathy, Maureen and Ann Maloney
4244 Harwood Drive
Des Moines, Iowa 50312

*ps: I enjoyed visiting
in your home.*

A handwritten letter "J" in cursive script, likely representing the initials of Jimmy Carter. It is written in dark ink and is positioned below the postscript.

— 2/3
THE WHITE HOUSE
WASHINGTON

Mr. President:

This pertains to your meeting
with Marshall and Bingham,
scheduled for 5:00 PM,
Thursday, in the Oval Office.

Rick Hutcheson

POSITION: Assistant Secretary for Occupational Safety and Health

SELECTION: Eula Bingham

BIOGRAPHICAL SKETCH: Bingham has been Associate Director, Department of Environmental Health, University of Cincinnati School of Medicine, since October 1972.

She has been a member of the University's graduate faculty since 1963 and associate professor of environmental health since September 1970. She was an assistant professor of environmental health from 1961 to 1970.

Since 1960, she has taught graduate courses on the biological effects of air pollutants; chemical carcinogenesis (dealing with cancer-causing agents) and physiology for engineers, among other subjects.

Her research and writing interests in the field of environmental health have been varied.

She has served on a variety of national committees in her field of expertise, including Standards Advisory Committee on Coke Oven Emissions, Labor Department (chairperson); Standards Advisory Committee on Carcinogens, Labor Department; Study Section, Safety and Health, National Institute for Occupational Safety and Health, and Consultant, Subcommittee on Carcinogenesis of Threshold Limits Committee, American Conference of Industrial Hygienists.

She received a B. S. degree in chemistry from Eastern University, Richmond, Ky. (1951), an M. S. degree in zoology from the University of Cincinnati (1954) and a Ph.D in zoology from the University of Cincinnati (1958).

*Let me see her
& Ray
JC*

Ray Marshall
Ray Marshall
Secretary of Labor

THE WHITE HOUSE
WASHINGTON

2-3-77

To Durwood McAlister

I enjoyed your
Comments re "mushy-brained
thinking", "cheap-shot
attacks" and the writing
of "drivel".

With admiration,

J. Carter

THE ATLANTA JOURNAL
JANUARY 31, 1977

DURWOOD MCALISTER

John Crown's 'Cheap Shot'

THE NEWS and editorial departments of this newspaper, in response to the wishes of a wise management, are completely separate and independent of each other.

The editor and his associates are responsible for the two pages of opinion which appear daily in The Atlanta

Durwood McAlister is managing editor of The Atlanta Journal.

John Crown's column today is on the opposite page.

Journal. The managing editor and his associates are responsible for the news coverage. The editor has no authority over the news department. The managing editor has no authority—and less influence—in the editorial department.

As a result, it is unheard of for the managing editor to write a column of opinion to be published on the editorial page.

This is the exception.

It is occasioned by John Crown's cheap-shot attack on the judgment of the news department which appeared on these pages last Friday.

The object of Crown's wrath was an article which appeared on the front page of Wednesday's Journal, an article dispassionately describing the reactions of several Georgia draft evaders to the pardon granted them by President Carter.

No statement in the story sought, in any way, to make judgments on the draft evaders or to invoke sympathy for them.

Crown described the article as "overblown" and "gushy" and referred to a map detailing one draft evader's travels as being shown "in sympathetic blue."

That sort of mushy-brained thinking could be excused if it came from those who move their lips when they read. But John Crown is a former city editor of this newspaper and should have the intelligence to read a news

story and know the difference between a statement being made by the writer and one being made by the person who is being written about.

But Crown, from his philosophical perch just to the right of Attila the Hun, reached the heights of the preposterous when he called for a "balanced" report on the whole subject of draft evasion.

Coming from Crown that's like Adolf Hitler asking for a "balanced" report on the contributions of the Jews to the Third Reich.

Crown is an editorialist and his job is to express opinions, however hare-brained they may be.

But when he, as a member of this newspaper's staff, writes such drivel about his own newspaper there is a danger that the reader may believe him because he appears to speak from a position of knowledge.

He doesn't.

This newspaper has published hundreds of feature stories about the

young men who fought—and died—in Vietnam. Their stories and the stories of their families, held our attention for years because that war was the overriding news story which held the interest of the world.

But the news story right now revolves around the presidential act of pardoning those who refused to fight in that war. And the people who are most affected by that act, the people who are the proper subjects of news coverage, are the draft evaders themselves.

It is proper for John Crown to recall those who died as an argument against pardoning those who refused to fight.

It is not proper for Crown to demand that the news columns be distorted to support his editorial position.

That's the sort of distortion The Journal's management sought to avoid when the news and editorial departments were made separate. Wise management.

Interesting!

THE WHITE HOUSE
WASHINGTON

February 3, 1977

Tim Kraft

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Fran Voorde
Hugh Carter

Trip to Plains

cc

Tim

Fran

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 2, 1977

TO: Tim Kraft
FROM: Fran Voorde *fran*
RE: President's trip to Plains

Bill Gulley informs me Air Force 1 must use Warner Robins Air Force Base. Facilities are inadequate at Albany to consider as an option.

Standard drill would be to helicopter from Warner Robins to Plains -- this time will be using Peterson's (status of helicopter compound military is suggesting around residence is still in drawing stages). Helicopter flight from WR is 30 minutes. Driving time: approximately 1 hour & 30 minutes.

I. What are the President's wishes?

Helicopter from Warner Robins

Drive from Warner Robins

☐
☒

II. Normally the military would bring at least

1 steward (cook meals, etc.) and
1 valet (take care of clothing, etc.)

Does the President wish to have a steward & valet in Plains?

Yes

☐

No

☒

ELECTROSTATIC REPRODUCTION MADE FOR
PRESERVATION PURPOSES

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

page 2

- III. Normally, the military provides
- A. Complimentary Flight Certificates for all those travelling on Air Force One (Staff receives also on first time only basis)
 - B. Complimentary cigarettes *no*
 - C. Complimentary playing cards *no*
 - D. Complimentary ashtrays.

These are available to take with you as souvenirs of the flight.

Does the President wish to continue this practice?

yes



no

THE WHITE HOUSE
WASHINGTON

February 3, 1977

Hugh Carter

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Peter Bourne

Peter Bourne's Travel

THE WHITE HOUSE
WASHINGTON

CC

Hugh Carter
Peter Bourne

Mr. President:

Hugh Carter tells me that you wish to review personally all staff travel requests for the first couple of months of your Administration.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON
February 3, 1977

*Approved
for any
of people -
J.C.*

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER, JR. *HC*

SUBJECT: Travel

Per your instructions, attached are requests from Peter Bourne, Charles O'Keeffe and Ellen Metsky to travel abroad to Switzerland and to points further for O'Keeffe. Also attached are comments from Mr. Vance and Mr. Brzezinski regarding this travel.

Since I talked to you about this last Saturday, I have discussed it further with Peter Bourne and was told that the State Department is footing the bill for two persons and HEW is footing the bill for the other person. Therefore, there is no expense to the White House budget.

Peter says that they want to go as part of a twenty-person delegation to the United Nations Commission on Narcotics Drugs. He says that he is scheduled to be deputy chairman of this delegation. I also understand from Peter that he is to meet with some German high military officials in regard to drug usage in the military and that the Department of Defense is sending someone to coordinate that for him.

Since this will not be funded from the White House budget, it is somewhat out of my area of responsibility. However, I seriously question the need for Ellen Metsky to go. My recommendation would be that Peter and Charles O'Keeffe be allowed to attend.

Please let me know if you want me to take any further action on this matter.

Tab A - Vance's comments
Tab B - Brzezinski's comments

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 11/11/01 BY 60322